



# Q1 2023 Results

May 9, 2023

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In addition, this presentation includes certain "non-IFRS financial measures." These measures are not recognized measures under IFRS and do not have standard meanings prescribed by IFRS. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of the Company's financial information reported under IFRS.

For a reconciliation to the nearest comparable IFRS measures, see: <https://www.aramco.com/-/media/publications/corporate-reports/saudi-aramco-q1-2023-interim-report-english.pdf>

Our non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies.





# Amin Nasser

President & CEO

# Strong Q1 2023 performance

- Continued high reliability, focus on costs and ability to react to market conditions
- Strong earnings, cash flows and balance sheet
- Confident in mid to long-term oil demand; continuing to see industry under-investment in supply
- Strategy on track; good progress achieving oil and gas expansion and liquids-to-chemicals growth



# Ziad Al-Murshed

Executive Vice President & CFO

# Investing in growth and capturing unique opportunities

## > Upstream oil and gas development

- Upstream expansion plans on track
- Haradh and Hawiyah compression projects progressed commissioning
- Hawiyah gas plant expansion expected to be onstream in 2023

## > Downstream expansion and liquids-to-chemicals growth

- Agreement to acquire 10% interest in Rongsheng Petrochemical Co Ltd
  - Aramco to supply 480 mbpd<sup>1</sup> to the largest integrated refining and chemicals complex in China
  - 60% of capacity; with >50% conversion rate into chemicals
- HAPCO<sup>2</sup>, an Aramco JV in China, is developing a 300 mbpd integrated refinery & petrochemical complex, with >50% conversion rate into chemicals, and right to supply up to 210 mbpd
- S-OIL broke ground on Shaheen petrochemicals project
  - Significant refinery-integrated petrochemical steam cracker with 3.2 mmtpa<sup>3</sup> capacity
- Valvoline Inc.'s global products business acquisition completed

1. mbpd = thousand barrels per day

2. HAPCO = Huajin Aramco Petrochemical Company in China

3. mmtpa = million tonnes per annum





# Q1 2023 operational and financial highlights

## Operational

Hydrocarbon production

mmboed<sup>1</sup>

**12.8**

Q1 2022: 13.0

Supply reliability<sup>2</sup>

**99.7%**

Q1 2022: 99.9%

## Financial

Net income

\$Bn

**31.9**

Q1 2022: 39.5

Dividends paid

\$Bn

**19.5**

Q1 2022: 18.8

Net debt / (cash)<sup>3</sup>

\$Bn

**(42.6)**

YE 2022: (32.7)

Capital expenditure

\$Bn

**11.3**

Q1 2022: 7.6

Free cash flow<sup>3</sup>

\$Bn

**30.9**

Q1 2022: 30.6

Balance sheet

gearing<sup>3</sup>

**(10.3)%**

YE 2022: (7.9)%

1. mmboed = million barrels of oil equivalent per day

2. Applies to Saudi Arabian Oil Company

3. Please refer to [www.saudiaramco.com/investors](http://www.saudiaramco.com/investors) for reconciliation of non-IFRS measures

# Financial results: Q1 2023 versus Q1 2022

\$Bn, unless otherwise indicated	Q1 2022	Q1 2023
Realized oil prices (\$/bbl)	97.7	<b>81.0</b>
Hydrocarbon production (mmbod <sup>1</sup> )	13.0	<b>12.8</b>
Upstream EBIT	70.3	<b>57.4</b>
Downstream EBIT	10.2	<b>3.4</b>
Group net income	39.5	<b>31.9</b>
ROACE (12 months rolling)	27.2%	<b>29.3%</b>

## Key drivers

- > Lower crude oil prices
- > Stronger refining margins
- > Weaker chemical margins
- > Gain on PIF partial prepayment<sup>2</sup>

1. mmbod = million barrels of oil equivalent per day  
 2. Partial prepayment of the deferred consideration related to the SABIC acquisition



# Cash flow allocation priorities



Sustaining capex



Sustainable and progressive dividend



Growth investments



Deleveraging and/or additional distributions



# Introducing a mechanism for performance-linked dividends<sup>1</sup>

- Sustainable and progressive base dividend – increasing from \$75bn to \$78bn
- Features of performance-linked dividends
  - To be targeted in the amount of 50 – 70% of Aramco’s annual free cash flow, net of the base dividend and other amounts including external investments
  - To be determined with the annual results
  - Intended to be distributed quarterly

1. Performance-linked dividends are at the Board’s discretion. Board will consider the Company’s financial position, ability to fund commitments including growth capital plans



# Maximizing shareholder value

- Sustainable and progressive dividend provides long-term shareholder value
- Performance-linked dividends provide mechanism for additional distributions for years of strong performance
- Strong reinvestment in business combined with distributions to shareholders





# Questions & Answers



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